CB(1)520/13-14(02)

8 December 2013

Clerk to Panel on Environmental Affairs Legislative Council Secretariat 2/F Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Honorable Members of The Legco Panel on Environmental Affair,

#### "Issues raised for the Public Engagement on Municipal Solid Waste Charging"

With regards to the topic, I want to bring all of your attention to three pieces of articles that I wrote on South China Morning Post, Sing Tao Daily and my blog. The first article provides a comprehensive summary on why government's municipal solid waste charging scheme would not work. The second article is a Chinese translation of the first article. The final article provides a way forward to a proper waste charging scheme in Hong Kong.

Thank you for your consideration.

Sincerely,

Tim Lo Certified Sustainable Building Advisor, LEED AP (BD+C, ID+C, O+M), GreenPoint Rater

# Why Municipal Solid Waste Charging Fails

The Council for Sustainable Development emphasises that the ultimate goal to municipal solid waste charging is to establish behavioural changes in people's daily garbage disposal through economic incentives.

I do not doubt the council's good faith in trying to introduce policies to battle the current waste crisis.

Nevertheless, I could hardly find any justification on how charging for this waste could serve as an economic incentive to help reduce waste.

First, most municipalities across the world introduced charging for this waste not for the purpose of behavioural changes, but to find extra income to pay for rising waste treatment costs and collection fees and compensation in the face of widespread community opposition.

With the government aggressively trying to expand landfills and the huge price tag associated with such an expansion, it would be naive not to associate fees collected from municipal solid waste charging with landfill expansion expenses and compensation to communities affected by such expansion programmes, both of which have nothing to do with reducing our overall waste.

Second, even if coercive measures are enforced, there are still many ways for people to get around waste charging in a legitimate manner. The infamous Seattle Stomp invented by the citizens of Seattle is a perfect example, where people stomp as much garbage as possible into a single bag in order to avoid hefty waste charging.

This means that the waste-charing scheme remains in force, but with regard to the volume of waste generated, the status quo is maintained.

Finally, the true cost of waste charging is understated, as any programme will involve administrative expenses.

Ultimately, any administrative expenses will have to be paid by everyone in society. Assuming these expenses bring about a 20 per cent increase in a building's management fees, a household of three living in a 500 sq ft apartment and currently paying a management fee of HK\$1.6 per square feet will well be paying HK\$200 a month for municipal solid waste charging and not the HK\$30-60 a month as the council claims.

That obviously creates an economic burden rather than incentive.

With Hong Kong on a brink of a waste crisis, we surely want to try every policy tools that could help reduce our waste. But when policy like the waste charging is full of loopholes, it's very hard to imagine how it could get anyone to reduce waste.

<This article appeared in South China Morning Post on 10/10/2013 *Letters* column as "<u>Waste charging proposal</u> is flawed" and print edition as "Proposal for waste charging in HK is full of loopholes">

# 廢物收費不能複雜簡單化

可持續發展委員會剛就都市固體廢物收費開展了社會參與過程。委員會希望透過社會參與過程,遊說市民廢物收費能夠透過經濟誘因,減少市民棄置廢物。

眾所皆知,香港正面臨廢物危機。決策者用盡一切辦法來減少廢物確實是無可厚非。可惜,廢物收費並 不是一項單純以經濟誘因來促成減廢的政策工具。實施上,廢物收費是一項既不公平又不公義的社會資 源重新分配政策工具。強行推展相關收費不但不能有效減廢,亦將同時製造多個社會問題,令日後推行 廢物政策舉步維艱。

### 原意是增加財政收入

首先,大家必須知道,絕大部份國際大都市設立廢物收費是為了增加財政收入,並透過這些收入來補貼垃圾處理、營運和賠償受廢物處理設施影響地區等開支,而不是促使市民減廢。被國際社會公認為擁有全球最佳廢物管理政策的三藩市就是一個例子。

諮詢文件內,委員會對費用收回後的用途卻隻字不提,再加上政府積極推動堆填區擴建,真令人很難不 推測日後收回的費用將用作擴建堆填區和爲受堆填區影響的社區興建熱水池等文康設施;既有違收費原 意,亦無助減廢。

其次,廢物收費是不可能達到共同承擔減廢這個大原則。在今時今日社會重視基層市民環境底下,政治 團體勢必見義勇為,為基層市民爭取豁免收費。政府為了爭取廢物收費通過,最終必定向政治團體低 頭,豁免了基層收費,令基層市民可以避過收費原意的經濟承擔。

另一邊廂,中上階層有不錯的經濟能力,他們絕不會為了微不足道的收費,改變習慣來減廢。到了最後,我們將會預見所有未能得到收費豁免、經濟能力有限和一向物盡其用的夾心和中下階層必定「硬食」廢物收費,成爲廢物收費的最大受害者。

最後,執行廢物收費須涉及龐大行政開支。須知道,無論最終實行模式是按每戶收費、按整座大廈收費、或是工商業按重量收費,任何一種收費模式都必須聘請行政人員執法、銷售專用垃圾袋圾和處理收 集得來的垃圾。這些開支必然會由全港700萬人攤分,而政府亦無理由為了減廢為全港市民承擔相關開 支。

假如將這些開支由大廈的管理費用承擔,導致每戶管理費上升兩成。以筆者粗略估計,一個居住 500 平 方尺單位、大廈收取每平方尺\$1.5 管理費的 3 人家庭將會因為垃圾徵費,而需要每個月支付最少\$200 的 垃圾費和相關行政開支,而不是文件內所指的\$30-\$60。這不但超出了某些環保團體所提倡\$90 的「肉痛 價」,亦可能會令一些市民帶來沉重的經濟負擔。

## 先實行回收物品回購費

除了廢物收費之外,政府和可持續發展委員會還有其他辦法,為市民提供經濟誘因,減少市民棄置廢物。實行回收物品回購費就是其中一個好例子:先向任何購買膠瓶、玻璃瓶和罐頭市民收取一筆費用。 當市民把這些物品送到回收中心,他們即可收回部份回購費。這個做法除了更合乎公平自負原則,亦能 提供足夠誘因去促使市民自願回收,比廢物收費更能達到社會效益!

<文章刊登於 2013 年 10 月 10 日星島日報>

# How I Think Waste Charging Should Be Implemented

About a week ago, my article titled "<u>Why Municipal Solid Waste Charging Fails</u>" outlined the reasons why waste charging schemes proposed by Hong Kong's <u>Council of Sustainable Development</u> would ultimately fail. Today, I want to propose some suggestions as to how I think waste charging should be implemented in Hong Kong.

In numerous occasions, chair of <u>Council for Sustainable Development</u> Mr. Bernard Chan declares that the government's main objective of introducing waste charging is to induce behavioral changes of every citizen and business to reduce waste. And given Hong Kong's huge budget surplus, Hong Kong Government has no mean to use the charge as a way to increase government's revenue.

If this is the case, simply by setting a quota on the amount and frequency of waste collected for "free", and charging a hefty fees for those who exceed the quota would have served this objective.

I envision the quota system would consist of three simple steps:

- 1. Government allocates waste collection quota to each building or estate based on the number of households;
- 2. Waste collectors provide designated waste bins and pick up filled bins;
- 3. If the building exceeds the collection quota, waste collection company charge a hefty fee on each additional waste bin collected.





Two types of bins that are commonly used in Hong Kong's waste collection: The smaller one on the left holds about 59kg of waste. The larger one on the right holds about 200kg of waste. Both bins could be considered as options to the designated bins.

Initially, government could set a lenient quota of 5% reduction in the amount and frequency of waste collection to prepare people for the adjustment to the new waste management practice. As more local recycling and food waste facilities begin to operate, government would then set stringent quota and aggressively cut down the amount of "free" waste collection. Quota will continue to be cut down until the waste reduction target set forth in Environmental Bureau's Blueprint for Sustainable Use of Resources is met.

When compare to the government's waste charging proposal, I believe my proposal yields much more benefit to the society:

- 1. Government would continue to honor its waste collection services cover by the property rates;
- 2. Everyone will bear the same waste reduction and economical responsibility, regardless of their socioeconomical status, industries and sectors;
- 3. Building occupants will force one another to reduce waste in order to avoid exceeding the waste collection quota and paying the hefty fees;
- 4. Less administrative work (i.e. selling and bookkeeping the bags) for the property management
- 5. Lower chance of a property management fees hike;
- 6. Less enforcement responsibility from the government;
- 7. Much lower cost in running the waste reduction program

I acknowledge that my proposal has its drawback (i.e. the likelihood of fly-tipping when someone uses up their entire waste collection quota). Nevertheless, I believe with proper monitoring (i.e. installing closed-circuit television and heavily fining those who fly-tip), we should be able to resolve some of the drawbacks at a relatively lower administrative cost.

Waste management and social justice are equally important to Hong Kong. For the former, Hong Kong citizens agree that we need to do what we can to cut down our waste. As for the latter, Hong Kong citizens would not like to see policy that could ultimately bring inequality and economic burdens to people.

I hope my proposal above along with the arguments that I wrote previously against waste charging could encourage everyone to start a dialogue to urge the Council of Sustainable Development and Environmental Bureau to stop pushing people to support their unfair waste charging proposal, but to start rationalizing their waste charging proposal and make it equal for all.